

## IN THE CLAIMS

The following is a complete listing of the claims, and replaces all earlier versions and listings.

1. (Currently amended) An image distribution system in a virtual space system composed of terminal apparatuses ~~respective~~ respectively provided at plural users and a server apparatus connected to ~~such~~ the plural terminal apparatuses through a communication channel for constructing a virtual space including a first virtual area to show a condition of each user with image and text and a second virtual area to have a conference for distributing an image among the terminal apparatuses, wherein each of the terminal ~~apparatuses~~ apparatus comprises:

image obtaining means for obtaining ~~[[an]]~~ the image of the user;

image compression means for compressing the image with a quantization coefficient;

transmission means for transmitting the image, obtained by said image obtaining means, to said server apparatus;

reception display means for receiving and displaying the image transmitted from said server apparatus;

designation means for designating ~~[[the]]~~ a position of the user in ~~[[said]]~~ the virtual space; and

control means for controlling said image ~~obtaining~~ compression means with both a first quantization coefficient in accordance with ~~according to~~ the position of the user

in ~~said virtual space~~ the first virtual area, and a second quantization coefficient smaller than the first quantization coefficient in the second virtual area.

2. (Currently amended) A system according to claim 1, wherein  
said image obtaining means further includes image compression means for  
compressing the image data, [[:]] and

~~wherein~~ said control means controls the compression parameter of  
said compression means according to said user position in said virtual space.

3. (Currently amended) A system according to claim 1, wherein  
said image obtaining means includes size conversion means for converting  
the size of the obtained image, and cut-out means for cutting out a predetermined area from  
the obtained image, [[:]] and

~~wherein~~ said control means selects ~~[[the]]~~ an output of said size conversion  
means or said cut-out means according to ~~[[said]]~~ the user position in ~~[[said]]~~ the virtual  
space.

4. (Currently amended) A system according to claim 1, wherein  
said image obtaining means includes image pickup means for converting an  
optical image into an electrical signal and image pickup control means for controlling an  
area and a direction of the image pickup of said image pickup means, [[:]] and

said control means controls the image pickup area of said image pickup means through said image pickup control means according to [[said]] the user position in [[said]] the virtual space.

5. (Currently amended) A system according to claim 1, wherein  
said image obtaining means includes plural image pickup means for converting an optical image into an electrical signal, [[;]] and  
said control means selects one of the outputs of said plural image pickup means according to [[said]] the user position in [[said]] the virtual space.

6. (Currently amended) An image distribution system in a virtual space system composed of terminal apparatuses ~~respective~~ respectively provided at plural users and a server apparatus connected to ~~such~~ the plural terminal apparatuses through a communication channel for constructing a virtual space including a first virtual area to show a condition of each user with image and text and a second virtual area to have a conference for distributing an image among the terminal apparatuses, wherein each ~~of the~~ terminal ~~apparatuses~~ apparatus comprises:

image obtaining means for obtaining [[an]] the image of the user;  
image compression means for compressing the image with a quantization coefficient;

transmission means for transmitting the image, obtained by said image obtaining means, to said server apparatus;

reception display means for receiving and displaying the image transmitted from said server apparatus; and

designation means for designating ~~[[the]]~~ a position of the user in ~~[[said]]~~ the virtual space;

and said server apparatus comprises:

image process means for processing the image transmitted from each ~~of said terminal apparatuses~~ terminal apparatus;

distribution means for distributing the image; and ~~[[,]]~~

control means for controlling said image ~~process~~ compression means with both a first quantization coefficient in accordance with ~~according to~~ the position of the user in ~~said virtual space~~ the first virtual area, and a second quantization coefficient smaller than the first quantization coefficient in the second virtual area.

7. (Currently Amended) A system according to claim 6, wherein

said image process means includes recompression means for recompressing image data, ~~[[;]]~~ and

~~wherein~~ said control means controls the compression parameter at the recompression, according to the user position in ~~[[said]]~~ the virtual space.

8. (Currently Amended) A system according to claim 6, wherein

said image obtaining means includes size conversion means for converting

the size of the image and cut-out means for cutting out a predetermined area from the image, [[;]] and

said control means selects the output of said size conversion means or said cut-out means according to [[said]] the user position in [[said]] the virtual space.

9.-13. (Canceled)

14. (Currently amended) An image distribution method in a virtual space system composed of terminal apparatuses ~~respective~~ respectively provided at plural users and a server apparatus connected to [[such]] the plural terminal apparatuses through a communication channel for constructing a virtual space including a first virtual area to show a condition of each user with image and text and a second virtual area to have a conference for distributing an image among the terminal apparatuses, ~~wherein~~ said method comprising:

~~each of said terminal apparatuses obtains an~~ obtaining the image [[data]] of the user;

compressing the image with a quantization coefficient;

~~and transmits~~ transmitting the image compressed in said compressing step to said server apparatus by each of the terminal apparatuses;

~~said server apparatus processes the image transmitted from each of the terminal apparatuses according to the position of the user in said virtual space and distributes the image to each of said terminal apparatuses; and~~

~~each of said terminal apparatuses~~ receiving and displays displaying the image transmitted from said server apparatus by each of the terminal apparatuses;  
inputting the position of the user in the virtual space; and  
controlling said compressing step with both a first quantization coefficient in accordance with the position of the user in the first virtual area, and a second quantization coefficient smaller than the first quantization coefficient in the second virtual area.

15. (Currently amended) A method according to claim 14, wherein said server apparatus recompresses the image transmitted from each ~~of said~~ terminal apparatus with a recompression parameter according to the user position in ~~[[said]]~~ the virtual space and distributes the image to each ~~of said~~ terminal ~~apparatuses~~ apparatus.

16. (Currently amended) A method according to claim 14, wherein said server apparatus applies either of image size conversion and predetermined area ~~cuttingout~~ cutting-out to the image transmitted from each ~~of said~~ terminal ~~apparatuses~~ apparatus according to ~~[[said]]~~ the user position in ~~[[said]]~~ the virtual space and distributes the image to each ~~of said~~ terminal ~~apparatuses~~ apparatus.

17. (Canceled)

IN THE DRAWING

The attached sheet of drawings includes changes to Fig. 18, in that Fig. 18 has been labeled "--Prior Art"--. This sheet replaces the original sheet including Fig. 18.

Attachment: Replacement Sheet